

Rules and Regulations

Federal Register

Vol. 65, No. 126

Thursday, June 29, 2000

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

15 CFR Part 2014

RIN 0350-AA02

Implementation of the Temporary Tariff-Rate Quota for Imports of Lamb Meat

AGENCY: Office of the United States Trade Representative.

ACTION: Final rule.

SUMMARY: The Office of the United States Trade Representative ("USTR") hereby issues a final rule providing for the establishment of an export certificate procedure to assist in the orderly marketing of lamb meat imports from countries provided a specific import allocation under the temporary tariff-rate quota that the President has imposed on those products.

DATES: The effective date of this final rule is June 29, 2000.

FOR FURTHER INFORMATION CONTACT: Mark Sloan, Director of Agricultural Affairs, Office of the United States Trade Representative, 600 17th Street NW., Washington, DC 20506, (202) 395-6127.

SUPPLEMENTARY INFORMATION: On July 7, 1999, the President issued Proclamation 7208, 64 FR 37387 (July 9, 1999), which established a temporary tariff-rate quota ("TRQ") and increased duties, effective July 22, 1999, on lamb meat imports to facilitate the domestic industry's adjustment to import competition. In order to provide for the efficient and fair administration of the TRQ, on July 30, 1999, the President issued Proclamation 7214, 64 FR 42265 (Aug. 4, 1999), which delegated authority to administer the TRQ to the United States Trade Representative.

To provide for the efficient and fair administration of the TRQ, USTR has established a procedure under which

countries that have been allotted an in-quota allocation under the TRQ may use a system of export certificates to ensure that only those of its lamb meat exports specifically designated for the United States market are counted against the country's in-quota allocation. USTR published an interim rule and request for comments on this subject in the **Federal Register** on October 20, 1999, 64 FR 56429.

Under the final rule, as under the interim rule, a country that was provided a specific in-quota allocation under the TRQ may elect to have the United States Customs Service ("U.S. Customs") determine which lamb meat imports are to be counted against the country's in-quota allocation, and thus be assessed the lower rate of duty applicable to in-quota imports, based on whether the country has issued (or authorized issuance of) an export certificate for that lamb meat. Two countries, Australia and New Zealand, were provided specific in-quota allocations under the TRQ. Both governments have requested USTR to establish an export certificate procedure to assist in the orderly marketing of their lamb meat exports to the United States while the TRQ is in effect.

A country wishing to avail itself of the export certificate procedure must notify USTR and provide the necessary supporting information. Australia and New Zealand have provided the requisite supporting information, and USTR determine in the **Federal Register** notice for the interim rule that both countries are "participating countries" under the export certificate procedure. 64 FR at 56429. USTR will publish a notice in the **Federal Register** if Australia or New Zealand ceases to be a participating country.

U.S. Customs will ensure that no imports of lamb meat from a participating country are counted against that country's in-quota allocation unless the importer declares that there is a valid export certificate for that lamb meat. In the absence of such a declaration, the imports will not be eligible for the in-quota rate of duty.

U.S. Customs will separately issue regulations governing its implementation of this rule.

Comments on the Interim Rule

USTR received comments on the interim rule from representatives of the Australian lamb meat industry (Meat

and Livestock Australia, or "MLA") and the Embassy of New Zealand.

MLA supported implementation of the export certificate system, and therefore supported the interim rule. MLA had no substantive comments on the interim rule.

The Embassy of New Zealand also supported the export certificate system. However, it recommended the following three changes to the interim rule:

(i) That the wording of § 2014.3(b)(2) be amended by replacing "calendar year" with "quota year;"

(ii) That the wording of § 2014.3(b)(4) be amended by replacing "in the calendar year" with "for quota year;" and

(iii) That the term "quota year" be defined in § 2014.2 as "the period between 22 July 1999 and 21 July 2000, inclusive, and such subsequent periods as set forth in Presidential Proclamations 7208 (64 FR 37387) and 7214 (64 FR 42265) during which lamb meat is exported."

USTR has adopted all of the changes suggested by the Embassy of New Zealand, and has amended its interim rule accordingly.

List of Subjects in 15 CFR Part 2014

Export certificates, Imports, Lamb meat, Tariff-rate quotas.

For the reasons set out in the **SUPPLEMENTARY INFORMATION** section of this notice, 15 CFR 2014 is revised to read as follows:

PART 2014—IMPLEMENTATION OF TARIFF-RATE QUOTA FOR IMPORTS OF LAMB MEAT

Sec.

2014.1 Purpose.

2014.2 Definitions.

2014.3 Export certificates.

Authority: 19 U.S.C. 2253(g); Proclamation 7208, 64 FR 37387, July 9, 1999; Proclamation 7214, 64 FR 42265, Aug. 4, 1999.

§ 2014.1 Purpose.

The purpose of this part is to provide for the implementation of the tariff-rate quota for imports of lamb meat established in Proclamation 7208 (64 FR 37387) (July 9, 1999) and modified in Proclamation 7214 (64 FR 42265) (Aug. 4, 1999). In particular, this part provides for the administration of export certificates where a country that has an allocation of the in-quota quantity under

the tariff-rate quota has chosen to use export certificates.

§ 2014.2 Definitions.

Unless the context otherwise requires, for the purpose of this part, the following terms shall have the meanings assigned as follows:

(a) *Lamb meat* means fresh, chilled, or frozen lamb meat, provided for in subheadings 0204.10.00, 0204.22.20, 0204.23.20, 0204.30.00, 0204.42.20, and 0204.43.20 of the HTS.

(b) *In-quota lamb meat* means lamb meat that is entered under the in-quota rate of duty.

(c) *Participating country* means any country to which an allocation of a particular quantity of lamb meat has been assigned under Proclamation 7208 that USTR has determined is, and has notified to the United States Customs Service as being, eligible to use export certificates.

(d) *Enter or Entered* means to enter or withdraw from warehouse for consumption.

(e) *HTS* means the Harmonized Tariff schedule of the United States.

(f) *USTR* means the United States Trade Representative or the designee of the United States Trade Representative.

(g) *Quota Year* means the period between July 22, 1999 and July 21, 2000, inclusive, and such subsequent periods as set forth in Presidential Proclamations 7208 and 7214 during which lamb meat is exported.

§ 2014.3 Export certificates.

(a) In-quota lamb meat may only be entered as a product of a participating country if the United States importer makes a declaration to the United States Customs Service, in the form and manner determined by the United States Customs Service, that a valid export certificate is in effect with respect to that lamb meat product.

(b) To be valid, an export certificate shall:

(1) Be issued by or under the supervision of the government of the participating country;

(2) Specify the name of the exporter, the product description and quantity, and the quota year for which the export certificate is in effect;

(3) Be distinct and uniquely identifiable; and

(4) Be used for the quota year for which it is in effect.

Kenneth P. Freiberg,

Deputy General Counsel, Office of the United States Trade Representative.

[FR Doc. 00-16403 Filed 6-28-00; 8:45 am]

BILLING CODE 3910-01-M

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Parts 270, 275 and 295

[T.D. ATF-427; Ref: Notice No. 889]

RIN 1512-AB92

Extension of Package Use-Up Rule for Roll-Your-Own Tobacco Manufacturers and Importers (98R-370P)

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Temporary rule (Treasury decision).

SUMMARY: In Treasury Decision ATF-424, ATF issued temporary regulations requiring manufacturers and importers to mark packages of roll-your-own tobacco as either "roll-your-own tobacco" or "Tax Class J." The temporary regulations provided a use-up period until April 1, 2000 for manufacturers who used packages that did not meet the marking requirements, provided they used the packages before January 1, 2000. In this temporary rule, ATF is extending the date by which manufacturers of roll-your-own tobacco must comply with the package marking requirements. ATF is also adding regulations to provide the same compliance date for importers of roll-your-own tobacco.

DATES: Effective date: June 29, 2000. This temporary rule extends the compliance date for both manufacturers and importers until October 1, 2000.

FOR FURTHER INFORMATION CONTACT: Robert P. Ruhf, Regulations Division, 650 Massachusetts Avenue, NW., Washington, DC 20226; (202) 927-8210; or alctob@atfhq.atf.treas.gov.

SUPPLEMENTARY INFORMATION:

Background

This temporary rule extends the date stated in 27 CFR 270.216b(c) and 295.45c for manufacturers to comply with the requirements that packages be marked as "roll-your-own tobacco" or "Tax Class J" from April 1, 2000, to October 1, 2000. This temporary rule also adds a new section, 27 CFR 275.72c, that will allow importers to have this same benefit. We are taking this action as a result of comments from the Pipe Tobacco Council, Washington, DC. These comments were received in response to the notice of proposed rulemaking, Notice No. 889 (64 FR 71935), issued concurrently with the temporary rule T.D. ATF-424 (64 FR 71929).

The Pipe Tobacco Council submitted written comments concerning the inability of manufacturers and importers of roll-your-own tobacco to comply with the April 1, 2000 deadline. The Pipe Tobacco Council stated that they represented manufacturers and importers who account for more than 90 percent of the roll-your-own tobacco sold in the United States. The Pipe Tobacco Council stated that since there is a long lead time for acquiring new packaging of at least 5 to 6 months, most manufacturers and importers would be unable to meet the April 1, 2000 deadline for marking packages as "roll-your-own tobacco" or "Tax Class J". In addition, they stated that although manufacturers and importers could place stickers on the packages with "roll-your-own tobacco" or "Tax Class J" markings, the amount of hand labor involved would make this very costly. The Pipe Tobacco Council requested an extension of the compliance date to October 1, 2000, to allow all manufacturers and importers a reasonable time to comply with this requirement to mark packages "roll-your-own tobacco" or "Tax Class J".

We have considered the jeopardy to the revenue in extending the compliance date with these package markings and the costs that would be incurred. Since the jeopardy to the revenue is minimal and the costs would be comparatively large for manufacturers and importers to comply, we have decided to extend the use-up date from April 1, 2000, to October 1, 2000.

We note that the Pipe Tobacco Council letter also requested that "cigarette tobacco," be allowed as an alternative marking designation on packages of roll-your-own tobacco. We are not addressing this issue at this time. We will address this issue after we have analyzed all comments received during the 60-day comment period to Notice No. 889 (64 FR 71935), which was issued concurrently with the temporary rule T.D. ATF-424 (64 FR 71929) published December 22, 1999.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this temporary rule, according to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply. Moreover, to give immediate guidance to manufacturers and importers, this temporary rule to extends the date they have to comply with the requirement to mark packages as "roll-your-own tobacco" or "Tax Class J". The extension of this date does not impose any additional requirements on small